



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0496	<b>Title:</b>	Clarify funding of MUS optional retirement program
<b>Primary Sponsor:</b>	Peterson, Jim	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	(\$538,103)	(\$575,770)	(\$616,074)	(\$659,199)
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$538,103</u>	<u>\$575,770</u>	<u>\$616,074</u>	<u>\$659,199</u>

### Description of fiscal impact:

This bill limits the additional 1% of the employer's share of the Montana University System Optional Retirement Program (ORP) to earned compensation in the current unrestricted subfund.

### FISCAL ANALYSIS

#### Assumptions:

1. A general fund statutory appropriation will pay for the additional 1% employer contribution for only those salaries funded by the current unrestricted subfund.
2. FY 2008 was the first time the additional 1% employer contribution was authorized.
3. Based on an analysis of FY 2008 actuals, approximately 70% (\$1.13 million) of the ORP was reimbursed to the current unrestricted subfund.
4. Based on an analysis of FY 2008 actuals, approximately 30% or \$470,000 was reimbursed to other fund types as follows: The restricted fund (\$45,000), the designated fund (\$400,000), and the auxiliary fund (\$25,000).

5. Based on FY 2008, the savings to the general fund are estimated to be \$470,000 per year. This amount is assumed to inflate 7.0% per year starting in FY 2009 through FY 2013.

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Personal Services	(\$538,103)	(\$575,770)	(\$616,074)	(\$659,199)
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	(\$538,103)	(\$575,770)	(\$616,074)	(\$659,199)
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$538,103	\$575,770	\$616,074	\$659,199

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*Sponsor's Initials*


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*Date*


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*Budget Director's Initials*


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*Date*